

**CRRA/MIRA
REGULAR BOARD MEETING
July 24, 2014**

Materials Innovation and Recycling Authority

100 Constitution Plaza

Hartford, Connecticut 06103

Telephone (860)757-7700 - Fax (860)757-7743

MEMORANDUM

TO: MIRA Board of Directors

FROM: Moira Kenney, HR Specialist/Board Administrator

DATE: July 18, 2014

RE: Notice of Regular Board Meeting

There will be a Regular Board Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday July 24, 2014, at 9:30 p.m. The meeting will be held in the Board Room at 100 Constitution Plaza, Hartford, CT 06103.

Please notify this office of your attendance at (860) 757-7787 at your earliest convenience.

Connecticut Resources Recovery Authority
Regular Board of Directors Meeting

Agenda
July 24, 2014
9:30 AM

I. Pledge of Allegiance

II. Public Portion

A ½ hour public portion will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for Approval of the Special Telephonic June 18, 2014, Board Meeting Minutes (Attachment 1).
2. Board Action will be sought for Approval of the Regular June 26, 2014, Board Meeting Minutes (Attachment 2).
3. Board Action will be sought for Approval of the Special Telephonic June 30, 2014, Board Meeting Minutes (Attachment 3).

IV. Policies & Procurement Committee Reports

1. Board Action will be sought for the Resolution Regarding Materials Innovation and Recycling Authority Adopting an Amendment to Section 5.3.1 of the Authority's Procurement Policies and Procedures (Attachment 4).
2. Board Action will be sought for the Resolution Regarding Purchase of Jet Fuel for the South Meadows Jet Turbine Facility (Attachment 5).

V. Finance Committee Reports

1. Board Action will be sought for the Resolution Concerning Pollution Legal Liability Insurance (Attachment 6).

VI. Chairman and President's Reports

VII. Executive Session

An Executive Session will be held to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, and feasibility estimates and evaluations.

TAB 1

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTY-THIRD

JUNE 18, 2014

A special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Mon. June 18, 2014, in the Board Room at 100 Constitution Plaza, Hartford, CT. Those present by telephone were:

Directors: Chairman Don Stein
Vice-Chairman Barlow
John Adams
Ralph Eno
Joel Freedman
Jim Hayden
Andy Nunn
Scott Shanley

Present from CRRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Service
Moira Kenney, HR Specialist/Board Administrator

Chairman Stein called the meeting to order at 8:58 a.m. and said a quorum was present.

PUBLIC PORTION

Chairman Stein said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

As there were no members of the public present wishing to speak, Chairman Stein proceeded with the meeting agenda.

RESOLUTION REGARDING AN AMENDMENT TO RESOLUTION REGARDING IMPLEMENTATION OF PUBLIC ACTS 13-247 AND 13-184

Chairman Stein requested a motion on the above referenced item. The motion was made by Director Adams and seconded by Director Eno.

RESOLVED: That the **RESOLUTION REGARDING IMPLEMENTATION OF PUBLIC ACTS 13-247 AND 13-184** (the "Resolution") adopted by this Board at its April 24, 2014, meeting, is hereby amended to authorize and direct the President to take all actions and do all things necessary to terminate the trust agreements specified on Schedule D thereto prior to the

receipt of the documentation specified on Schedule A thereto, as amended hereby; to hold all funds received from the trustees pursuant to those trust agreements until the Authority has received the documentation specified on Schedule A, as amended; and to transfer the amounts specified in the Resolution to the General Fund of the State of Connecticut promptly upon such receipt; and

FURTHER RESOLVED: That Schedule A to the Resolution is hereby amended in its entirety to read as follows:

SCHEDULE A
to Resolution Regarding Implementation of Public Acts 13-247 and 13-184

Written confirmation of the Wallingford Policy Board's adoption by the affirmative vote of all five members of the following resolutions:

RESOLVED: That the Policy Board acknowledges that with the transfer of permits from CRRA to DEEP and the execution of the MOU between DEEP and CRRA and the MOU between DEEP and the Policy Board, it is no longer necessary or appropriate for CRRA to continue or maintain the post-closure reserves and trusts, established by section 5.12 of the Agreements and such reserves and trusts may be discontinued; and

FURTHER RESOLVED: That while the Policy Board agrees that CRRA shall no longer have any obligation under section 5.12 of the Agreements to disburse any portion of the Fund to the Policy Board, in lieu of this, section 3 of the MOU between DEEP and the Policy Board specifies the circumstances in which such a disbursement may occur in the future.

Mr. Kirk said CRRA/MIRA is being asked to make a change to the resolution passed by the Board accepting the MOU and directing management to disperse funds under a number of specified conditions. He said the amendment is structured to compliment the resolution which is expected to be passed by the Wallingford Policy Board and to expedite the transfer of funds to the State General Fund.

Mr. Kirk said there are essentially two changes from the original resolution approved by the Board the previous month. He said firstly, in terms of directing the President to change the timing of the retrieval of the funds from the trustees for the Wallingford Landfill, and secondly, to relax the requirements in which the City of Wallingford releases CRRA from its performance assurances on the Wallingford Landfill.

Mr. Kirk said although CRRA has an MOU for the State of Connecticut to take over operational responsibilities and certain liabilities of the Wallingford Landfill there is a lease agreement between CRRA and Wallingford which requires CRRA to be responsible for the long term monitoring and maintenance of the landfill. He explained the release from the obligation was a requirement of the Board's prior resolution. Mr. Kirk said that requirement was not addressed in the MOU or the discussion

with the CT DEEP and CRRA is being asked to maintain that obligation to the landfill in recognition that the State has an MOU with CRRA requiring those monitoring activities.

Mr. Kirk said this amendment would allow CRRA to retrieve the money in anticipation of the vote by the Wallingford Policy Board on the 26th which would relax CRRA's requirement that the City of Wallingford release CRRA from its obligations. He said the City of Wallingford is not releasing its obligations to CRRA. Mr. Kirk said Wallingford will be added to CRRA's insurance policies and CRRA will be in between the City of Wallingford and the State of Connecticut in terms of potential landfill issues.

Mr. Kirk said CRRA's attorneys informed management that because the agreements with the Wallingford Policy Board are with individual towns CRRA must get the agreement of each individual town before releasing the money and that the towns' must also sign the MOU. He said he expects that to occur shortly at which point the Wallingford Policy Board will vote to direct CRRA to release the money which will be wired to the State of Connecticut.

Director Shanley asked if the legal liability for the Wallingford Landfill is maintained by CRRA. Mr. Kirk replied yes. Ms. Hunt said CRRA would still have liabilities with regard to Federal and State law with regard to any past actions pertaining to the landfill however, and CRRA will continue to be on the hook to the Town of Wallingford.

Vice-Chairman Barlow asked if the passing of this resolution is in order to expedite the transfer of funds to the State of Connecticut by the end of the fiscal year. Mr. Kirk agreed. He said in addition the Wallingford Policy Board (with the CT DEEP) produced a resolution different than what was expected and required by CRRA's initial resolution and this amendment will complement those changes.

Mr. Kirk said during their discussions with counsel management vocalized their concern in going after the State if they did not perform their job with an MOU in place versus a contract. He said counsel advised management that as far as the Attorney General is concerned between agencies of the government an MOU is treated as a contract. Ms. Hunt said an MOU is enforceable as a contract under those circumstances.

Director Shanley asked that the Finance Committee review any remaining funds after this transfer in order to set aside such funds for an additional legal reserve for any possible Wallingford issues. Mr. Daley agreed. He said management is retaining a portion of each landfill reserve all of which can be reviewed by the Committee. Mr. Kirk said management planned to place the remaining money in each case to a landfill reserve with the intent of handling any trailing liability and insurance issues.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director Nunn, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Director Shanley and seconded by Director Eno and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 9:25 a.m.

Respectfully Submitted,



Moira Kenney
HR Specialist/Board Administrator

TAB 2

MATERIALS INNOVATION RECYCLING AUTHORITY

FOUR HUNDRED AND FORTY-FOURTH

JUNE 26, 2014

A regular meeting of the Materials Innovation and Recycling Authority (formerly CRRA) was held on Thurs. June 26, 2014, in the Board Room at 100 Constitution Plaza, Hartford, CT. Those present were:

Directors: Chairman Don Stein
Vice-Chairman Barlow
John Adams
Joel Freedman
Jim Hayden
Scott Shanley

Present from CRRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Jeff Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Service
Marianne Carcio, Executive Assistant
Moira Kenney, HR Specialist/Board Administrator

Others present: Jay Aronson, Esq., Sandler & Mara; Ann Catino, Esq., Halloran & Sage; Mack McCleary, Deputy Commissioner of the Department of Energy & Environmental Protection; Ed Spinella, Esq.

Chairman Stein called the meeting to order at 9:41 a.m. and said a quorum was present.

PUBLIC PORTION

Chairman Stein said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

As there were no members of the public present wishing to speak, Chairman Stein proceeded with the meeting agenda.

**APPROVAL OF THE MINUTES OF THE REGULAR MAY 22, 2014, BOARD MEETING
MINUTES**

Chairman Stein requested a motion to approve the minutes of the Regular May 22, 2014, Board Meeting. Director Adams made the motion which was seconded by Director Shanley.

The motion to approve the minutes was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Hayden, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		

APPROVAL OF THE MINUTES OF THE SPECIAL JUNE 6, 2014, BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the Special June 6, 2014, Board Meeting. Director Adams made the motion which was seconded by Director Shanley.

The motion to approve the minutes was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Hayden, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		

REMARKS FROM DEPUTY COMMISSIONER MCCLEARY

Deputy Commissioner of the Department of Energy & Environmental Protection (hereinafter referred to as “CT DEEP”), Macky McCleary, addressed the Board. Chairman Stein noted that the MIRA Board is currently short three Directors and is very interested in filing those appointments. Deputy McCleary explained that the CT DEEP is looking to fill these appointments as well.

Deputy McCleary said Bill 1494 presents several challenges as well as opportunities and key decisions which need to be made by the MIRA Board and the CT DEEP.

Deputy McCleary and the Board members discussed the future of MIRA and agreed that a more formal meeting would take place at the next regularly scheduled Board meeting on Thurs. August 21, 2014.

REVIEW AND RECOMMEND RESOLUTION REGARDING THE LANDFILL DIVISION BUDGET

Chairman Stein requested a motion on the above referenced item. The motion was made by Director Freedman and seconded by Director Shanley.

RESOLVED: That the fiscal year 2015 Landfill Division Operating budget totaling \$809,500 be adopted as presented at this meeting.

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the following Landfill Division Reserves, as appropriate, to pay for costs and fees incurred during fiscal year 2015 in accordance with the operating budget adopted pursuant hereto, as presented and discussed at this meeting, provided that all purchases of goods and services shall comply with the requirements of the Authority's Procurement Policy:

Shelton Landfill Post Closure Reserve
Waterbury Landfill Post Closure Reserve
Wallingford Landfill Post Closure Reserve
Hartford Landfill Post Closure Reserve
Ellington Landfill Post Closure Reserve
Landfill Operating Account

Mr. Daley said when the other division budgets were adopted in February management postponed adoption of the landfill division because at the time the nature of the transfer of the landfills to the CT DEEP and what type of budgeting would be required were not known. He said at this point the nature of the transfer is better understood. Mr. Daley explained there will be a transition period which straddles FY'14 and FY'15. He said the MOU provides for an anticipated transfer date of July 30, 2014, for all of the landfills (other than Hartford) and a transfer date of Hartford will occur after the closure is certified, which is expected in November.

Mr. Daley said management is seeking spending authority for FY'15 for the landfill division. He said management put together a straightforward landfill division budget which reflects two months spending in FY'15 for all landfills (other than Hartford) and a six month budget for Hartford based on those transition time frames.

Mr. Daley said on the personal services side the MOU with CT DEEP has a \$21,500 fixed payment per month for services to take MIRA through the transition. He said this administrative reimbursement was budgeted for on the personal side rather than budgeting for salaries for individual landfills. He said the Hartford landfill is the exception because MIRA is not yet being reimbursed for Hartford so there is a straight line budget in the Hartford landfill for those salary allocations.

Mr. Daley said the CT DEEP has waived the permit fees for FY'15 and those fees were zeroed out in the budget and not carried forward from FY'14 to FY'15. Mr. Daley noted concerning insurance, management has budgeted the two months insurance amounts and the six months for the Hartford landfill. He said by the next Board meeting there will be further presentations concerning the new proposed policy. Mr. Daley said all together the landfill division budget for FY'15 totals \$809,500 spending which will be reimbursed by the CT DEEP other than Hartford prior to its closure.

Director Shanley asked if there is a working number for the ongoing insurance costs. Mr. Daley said the range of the renewal costs for insurance strongly depend on what type of policy length the Board selects and could be anywhere from \$300,000 - \$800,000.

The motion previously made and seconded was passed unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Freedman, Director Hayden, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden	X		
Scott Shanley	X		

PRESIDENT'S REPORT

Mr. Kirk said the transfer of the landfill reserves to the Office of Policy and Management is just about complete. He said he will be attending the Policy Board meeting in Wallingford and according to the terms of the prior Board budget and successful passage by the Policy Board of the resolution MIRA will be able to transfer the money to the State.

Mr. Kirk said management is in the process of transitioning from CRRA to MIRA. He said there is a noteworthy requirement in the new legislation to have MIRA work cooperatively with the CT DEEP in consultation and participation in new technology development. Mr. Kirk said management interprets this language to mean that MIRA requires CT DEEP's blessing before pursuing new ideas in technology. He said management plans to work with Deputy Commissioner McCleary in securing advance approval for such actions in conjunction with procuring a letter for MIRA's file before pursuing trash to fuel initiatives.

Mr. Kirk said in the future MIRA would like to attend both CCM and COST meetings and provide a fifteen minute presentation and take a survey of the members of both organizations to try to develop a focus group of towns to determine how communication issues should be addressed going forward. The Board discussed several approaches. Director Freedman said he would like to see a plan from management on how they intend to build and develop customer relationships at the August meeting.

Mr. Kirk said the grand opening for the solar panel project is tentatively set for September 4, 2014. He said the Mayor of Hartford is available although a response from the Governor's office has not been received as of yet.

Mr. Kirk distributed a proposed new MIRA logo from the winner of the internal logo contest at MIRA. After some discussion the Board suggested a few slight adjustments to the logo before it is brought back for Board approval in August. Mr. Kirk said notices were made to contract holders that

CRRA is transitioning to MIRA and communicating further substitute changes will be done after more transition information is obtained.

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss pending litigation and RFP responses. The motion, made by Vice-Chairman Barlow and seconded by Director Adams, was approved unanimously. Chairman Stein asked the following people join the Directors in the Executive Session:

- Tom Kirk
- Mark Daley
- Peter Egan
- Ann Catino, Esq.

The Executive Session began at 11:10 a.m. and concluded at 11:55 a.m. Chairman Stein noted that no votes were taken in Executive Session.

The motion previously made and seconded to go into Executive Session was approved unanimously by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Freedman, Director Hayden, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
James Hayden	X		
Scott Shanley	X		

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Vice-Chairman Barlow and seconded by Director Adams and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 11:26 p.m.

Respectfully Submitted,


Moira Kenney
HR Specialist/Board Administrator

TAB 3

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTY-THIRD

JUNE 30, 2014

A special telephonic meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Mon. June 30, 2014, in the Board Room at 100 Constitution Plaza, Hartford, CT. Those present by telephone were:

Directors: Chairman Don Stein
Vice-Chairman Barlow
John Adams
Ralph Eno
Joel Freedman
Jim Hayden
Andy Nunn
Scott Shanley
Steve Edwards (Southeast Ad-Hoc)

Present from CRRRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Service
Maira Kenney, HR Specialist/Board Administrator

Chairman Stein called the meeting to order at 9:28 a.m. and said a quorum was present.

PUBLIC PORTION

Chairman Stein said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

As there were no members of the public present wishing to speak, Chairman Stein proceeded with the meeting agenda.

RESOLUTION REGARDING INTERRUPTIBLE CONTRACT WASTE RFP AWARD

Chairman Stein requested a motion on the above referenced item. The motion was made by Vice-Chairman Barlow and seconded by Director Adams.

RESOLVED: That President is authorized to enter into a revenue contract with USA Hauling and Recycling Inc. for the delivery of Interruptible Contract Waste to the Connecticut Solid Waste System, substantially as presented and discussed at this meeting; and

FURTHER RESOLVED: The President is authorized to enter into a revenue contract with CEP, LLC for the delivery of Interruptible Contract Waste to the Connecticut Solid Waste System, substantially as presented and discussed at this meeting.

Mr. Kirk said this resolution is for the interruptible contracts which provide tonnage on an interruptible basis as necessary to fill the plant. He said municipal contracts have already been addressed. Mr. Kirk said these interruptible contracts fill in the difference. He said there is an additional category of spot waste and the good news regarding this resolution is management has procured more interruptible waste at a higher price which should reduce CRRA's need for spot waste which routinely comes in at a lower price.

Mr. Kirk said management is very comfortable the plant can handle this as CRRA is way within historical averages from last year's projections.

Director Shanley asked if this resolution was passed by the Policies and Procurement Committee. Director Adams replied yes.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice Chairman Barlow, Director Adams, Director Edwards, Director Eno, Director Freedman, Director Hayden, Director Nunn, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
James Hayden	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hoc			
Steve Edwards, Southeast Project	X		

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Director Eno and seconded by Director Adams and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 9:33 a.m.

Respectfully Submitted,


 Moira Kenney
 HR Specialist/Board Administrator

TAB 4

Recommended **RESOLUTION OF THE MATERIALS INNOVATION
AND RECYCLING AUTHORITY ADOPTING AN AMENDMENT
TO SECTION 5.3.1 OF THE AUTHORITY'S PROCUREMENT
POLICIES AND PROCEDURES**

RESOLVED: That the Board of Directors hereby adopts the following revision to the Authority's Procurement Policies and Procedures (the "Policy"), amending and restating in its entirety Section 5.3.1 of the Policy, Professional or Technical Services, Definition;

5.3.1 Definition

Professional or Technical Services include, but are not limited to, legal, accounting, insurance brokerage, surety bonding, executive recruitment, auditing, architectural, engineering, public relations, financial advisory, management consulting, bond underwriting, system management, facilities management, telecommunications, security and lease services.

MATERIALS INNOVATION AND RECYCLING AUTHORITY

AMENDMENT TO SECTION 5.3.1 OF THE PROCUREMENT POLICIES AND PROCEDURES

July 24, 2014

Executive Summary

This is to request that the Policies and Procurement Committee recommend that the Board of Directors adopt a clarification to Section 5.3.1, Professional or Technical Services of the Procurement Policy. The proposed clarification would give MIRA the flexibility and the facility to procure longer term insurance policies upon the advice of its independent insurance broker.

Discussion

MIRA's enabling legislation requires that it adopt written procedures for the procurement of goods and services, including "financial, legal, bond underwriting and other professional services," and that such procedures include "a requirement that the authority solicit proposals at least once every three years for each such professional services which it uses." MIRA's Procurement Policy defines Professional Services to include "insurance" and "underwriting."

MIRA's insurance broker, Aon, has strongly advised against going out to bid this year for Pollution Legal Liability Insurance. We have gone to the market annually for the past several years, and Ace has repeatedly and consistently been the best option. Aon believes that testing the market every year is detrimental to MIRA's ability to engage other potential carriers. Aon recommends that we renew our policy with Ace, which has agreed to hold its current price for a new one-year policy, or, if MIRA prefers, to write a three-year or thirty-eight month policy.

Management believes that where Section 5.3.1 specifies "underwriting," it is intended to mean "bond underwriting," consistent with MIRA's statutory obligation, and that "insurance," in the context of Professional Services, means "insurance brokerage," but in the event that MIRA desires to consider a three year (or longer) PLL policy, it is prudent to clarify the definition, as proposed in the draft resolution.

TAB 5

**RESOLUTION REGARDING THE PURCHASE OF JET FUEL
FOR THE SOUTH MEADOWS JET TURBINE FACILITY**

RESOLVED: That the President is hereby authorized to execute a purchase order with Santa Buckley Energy, Inc. for purchase of Ultra Low Sulfur No. 1 Diesel Fuel to support operation of the South Meadows Jet Turbine Facility, substantially as presented and discussed at this meeting.

Materials Innovation and Recycling Authority
Contract Summary for Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel
for the South Meadows Jet Turbine Facility

Presented to the MIRA Board on:	July 24, 2014
Vendor/Contractor(s):	Santa Buckley Energy, Inc.
Effective Date:	Upon Issuance of Purchase Order
Contract Type/Subject Matter:	Pursuant to CT Department of Administrative Services Contract
Facility(ies) Affected:	South Meadows Jet Turbine Facility
Original Contract:	Department of Administrative Services Contract No. 12PSX0029
Term:	MIRA Fiscal Year 2015
Contract Dollar Value:	Not to exceed \$1,323,000. (As budgeted in the Property Division Budget.)
Amendment(s):	Not applicable
Term Extensions:	Not applicable
Scope of Services:	Purchase of Ultra Low Sulfur No. 1 Diesel Fuel (i.e., Jet Fuel) for the South Meadows Jet Turbine Facility. The President is authorized to purchase Jet Fuel during FY2015, as necessary, in order to ensure that an adequate volume of jet fuel is available to support operation of MIRA's Jet Turbine Facility.
Other Pertinent Provisions:	The price of the fuel fluctuates daily. On the day that MIRA purchases fuel, MIRA will receive a firm price quote from Santa Buckley Energy, Inc. for a specific volume of fuel, which firm price is a function of a daily NYMEX fuel price, in accordance with the CT DAS contract.

Materials Innovation and Recycling Authority Property Division

Purchase of Ultra-Low Sulfur No. 1 Diesel Fuel to support Operation of the South Meadows Jet Turbine Facility

July 24, 2014

Executive Summary

This is to request that the Board of Directors authorize the President to purchase Jet Fuel for the MIRA South Meadows Jet Turbine Facility, on an as needed basis, in order to ensure that there is a sufficient volume of Jet Fuel at the facility to support the operation. The President will be authorized to purchase up to \$1,323,000 of fuel, if necessary, during fiscal year 2015.

Discussion

In 2001, CRRA purchased from Northeast Utilities the land assets of the Mid-Connecticut Resources Recovery Facility site. Located at the site was CRRA's waste processing facility ("WPF") and power block facility ("PBF") that were developed by CRRA in the 1980's to process municipal solid waste and produce steam for sale to Connecticut Light and Power Company ("CL&P"). Importantly, also located at the site and part of CRRA's acquisition were the following:

1. The energy generating facility ("EGF"), that converts steam produced with refuse derived fuel at the PBF into electricity; and,
2. A jet turbine peaking power plant, commonly referred to as the South Meadows Jet Turbine Facility ("JTF"), with approximately 160 MW of capacity, which up to that time was part of CL&P's electricity generating system.

The JTF consists of four Pratt & Whitney Twin-Pac generating sets ("Twin-Pacs"). Each of the four Twin-Pac units is nominally capable of generating 40 MW of power and is comprised of two Pratt & Whitney FT4A-9 combustion gas turbine engines. The units serve the ISO-New England System as "peaking capacity" and typically are called to run only approximately 20 hours per year.

Until June 1, 2012 the JTF was operated and maintained by Northeast Generation Services Company pursuant to an agreement effective May 30, 2000, which terminated on May 31, 2012.

CRRA contracted with NAES Corporation (“NAES”) to operate and maintain the JTF beginning June 1, 2012. Under the agreement with NAES, MIRA is responsible for paying the cost of jet fuel.

MIRA purchases the fuel from Santa Buckley Energy, Inc. pursuant to a CT Department of Administrative Services contract. Santa Buckley Energy, Inc. is the preferred vendor for this particular fuel on the CT DAS contract.

Because the value of jet fuel purchases will exceed \$50,000 during the fiscal year, which requires Board of Director approval, MIRA management is seeking Board authorization to purchase fuel from Santa Buckley Energy, Inc. during FY2015. In this case, purchases would be on an “as needed” basis, would be pursuant to a DAS contract, and would not exceed the amount budgeted for FY2015.

Financial Summary

MIRA has budgeted \$1,323,000 for purchase of Jet Fuel in FY2015 in the Property Division Budget.

TAB 6

Attachment 6 – Pollution Legal Liability Insurance

WHEREAS: This Board has previously adopted its fiscal year 2015 Landfill Division Operating Budget providing \$809,500 in funding for the portion of such year that MIRA will operate the landfills prior to the transfer of operating responsibility to the Connecticut Department of Energy and Environmental Protection (CT DEEP); and

WHEREAS: After such transfer of operating responsibility to CT DEEP, MIRA will retain certain liability previously considered by this Board; and

WHEREAS: This Board desires to continue to retain Pollution Legal Liability Insurance for the landfills after the transfer to CT DEEP as a means to protect against such liabilities.

NOW THEREFORE, be it

RESOLVED: That the President is hereby authorized to purchase and secure a Pollution Legal Liability Insurance policy for a term of thirty eight months commencing 8/1/2014 and a total premium of \$606,259 to be paid in two installments on or before 8/1/2014 and 10/1/2015 substantially as discussed and presented at this meeting.

FURTHER RESOLVED: That the fiscal year 2015 Landfill Division Operating Budget is hereby increased by \$105,298 to \$914,798 to provide funding for such Pollution Legal Liability Insurance policy for FY 2015. Such increase represents a 60% allocation to the Landfill Division for the 11 months ending June 30, 2015.

FURTHER RESOLVED: That the President is hereby authorized to approve the use of funds from the following Landfill Division Reserves, as appropriate, to pay for the allocated premium cost of such policy:

Shelton Landfill Post Closure Reserve
Waterbury Landfill Post Closure Reserve
Wallingford Landfill Post Closure Reserve
Hartford Landfill Post Closure Reserve
Ellington Landfill Post Closure Reserve
Landfill Operating Account

Background to Pollution Legal Liability (PLL) renewal decision

Currently MIRA has a one year PLL policy with ACE, with a \$20 million occurrence and \$20 million aggregate limits and a \$250,000 deductible. The annual premium is \$218,820 and the current policy expiration date is 10/1/2014.

Management is recommending to the Board that MIRA purchase a 38 month PLL policy. This new policy's total premium is \$606,259, and the limits are \$40 million per occurrence and \$40 million aggregate over the life of the policy. The deductible will remain the same at \$250,000. In talking with AON and ACE they proposed that the premium could be either paid in full at inception or split up in two equal payments, the first due at inception and the second payment due at 10/1/2015. Management recommends that we accept the payment option of two equal payments. The new policy will have the inception date of 8/1/2014 and an expiration date of 10/1/2017.

With the change of inception date MIRA will also receive a return of premium from the current policy in the amount of \$36,491, for the months of August and September.

The 38 month policy is recommended because it will offer premium savings, and we will avoid uncertainty in the renewal process.

An additional option was considered to purchase a three year policy with the above stated limits and deductible, this policy would have the same inception date as the expiring policy, 10/1/2014, an expiration date of 10/1/2017, and a premium of \$574,109. Management does not recommend this option due to uncertainty in the renewal process, and because it does not offer the savings that we would receive under the 38 month policy.

Another option considered was to keep the PLL on a yearly basis with the same limits and deductible as the current policy \$20 million per occurrence, \$20 million aggregate, and \$250,000 deductible. ACE had committed to renew the current policy at a flat rate of \$218,820, with no changes to the policy. Management does not recommend this option due to the shorter policy period, the added uncertainty of renewal going forward, and because it does not provide any cost saving.